

**GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA**

UNSTARRED QUESTION NO:4133

ANSWERED ON:20.08.2001

LOANS TAKEN BY SCHEDULED AIRLINES AND NON-SCHEDULED AIRLINES

ASHOK ARGAL

Will the Minister of CIVIL AVIATION be pleased to state:

- (a) whether some scheduled airlines, non-scheduled airlines and flying clubs/institutions have taken loan from banks, individuals etc;
- (b) if so, the details thereof;
- (c) whether these companies have committed any irregularity in the repayment of loans as per the schedule;
- (d) if so, the details thereof;
- (e) whether these companies have been given the security clearance; and
- (f) if so, the reasons therefor?

Answer

THE MINISTER OF CIVIL AVIATION (SHRI SHARAD YADAV)

(a) Yes, Sir.

(b),(c) & (d): Development Financial Institutions (DFIs) viz Industrial Development Bank of India (IDBI), Industrial Finance Corporation of India (IFCI) and Industrial Credit and Investment Corporation of India (ICICI) have provided financial assistance to the following four scheduled/non-scheduled airlines:

(As on 31.3.2001) (Rupees in Crore)

IDBI	i. Mesco Airlines Ltd.	26.43
	ii. Skyline NEPC India Ltd.	7.58
IFCI	i. Sahara Airlines Ltd.	16.96
ICICI	i. Jet Airways Pvt. Ltd.	93.00
	ii. Mesco Airlines Ltd.	0.79
Total		144.76

As Mesco Airlines and Skyline NEPC defaulted in payment of interest and principal, legal action has been taken by IDBI to recover the dues. The case against Mesco Airlines as debtor and Mideast India Ltd., a group company as guarantor is pending with Debt Recovery Tribunal (DRT), New Delhi & that against Skyline NEPC and its guarantors is pending with Debt Recovery Tribunal, Mumbai. IDBI has also filed recovery application before DRT, Chennai against NEPC India Ltd. and its personal guarantors.

RBI database does not generate information about the loans taken by Aviation Companies from banks, their repayments etc.

(e) & (f): Skyline NEPC is no longer in operation while security clearance of Mesco Airlines has recently been withdrawn by Ministry of Home Affairs. The re-verification of Directors associated with M/s Jet Airways is still awaited from MHA.

